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July 31, 2002

Recordation No. 21688-C

RECORDATION NO. 21688-C FILED

SEP 20 '02 2-59 PM

SURFACE TRANSPORTATION BOARD

Dear Mr. Williams:

On behalf of Flex Leasing I, LLC, I submit for filing and recording under 49 U.S.C. § 11301 (a) and the regulations applicable thereunder, executed counterparts of a secondary document, not previously recorded, entitled Memorandum of Supplement ("Supplement") executed on July 31, 2002.

The parties to the enclosed Supplement are:

Flex Leasing I, LLC - LESSOR
Suite 730
221 Main Street
San Francisco, CA 94105

Pope & Talbot, Inc. - LESSEE
1500 SW First Avenue
Portland, OR 97201

The said Supplement, among other things, acts to lease only the equipment listed in Annex A thereto by the Lessor to the Lessee and should be recorded under the next available letter under Recordation No. 21688, which letter we believe to be "-C."

The equipment covered by the instant Supplement is as identified in Annex A thereto, copy attached, namely 25 centerbeam railcars, LW numbers within the series 75000-75052, see Annex A.

A short summary of the Supplement to appear in the Surface Transportation Board Index is as follows:

"Lease of 25 centerbeam railcars, LW numbers within the series 75000-75052, see Annex A."

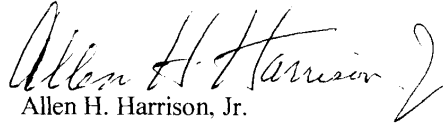
Please enter under this Recordation No. the following cross index reference:

“See Recordation No. 21888-U.”

Enclosed is a check in the amount of sixty dollars (\$60.00) in payment of the filing fee (\$30.00) and the cross indexing fee (\$30.00).

Once the filing has been made, please return to bearer the stamped counterpart(s) of the document not required for filing purposes, together with the letter from the Surface Transportation Board acknowledging the filing, and the two extra copies of this letter of transmittal.

Very truly yours,

A handwritten signature in cursive script, reading "Allen H. Harrison, Jr.", followed by a large, stylized flourish.

Allen H. Harrison, Jr.
*Attorney for Flex Leasing I, LLC,
for the purpose of this filing.*

Honorable Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Enclosures

BY HAND

8212-020

ANNEX A**Description of Equipment**

Twenty-five (25) 73' 0" centerbeam railcars, 110-ton capacity, 286,000 lb.
gross rail load, numbered:

LW 75000 through LW 75002 inclusive
LW 75006
LW 75008 through LW 75009 inclusive
LW 75011
LW 75014 through LW 75015 inclusive
LW 75017
LW 75019
LW 75021
LW 75023 through LW 75024 inclusive
LW 75027
LW 75036 through LW 75038 inclusive
LW 75042
LW 75044 through LW 75046 inclusive
LW 75048
LW 75050
LW 75052

[Pope & Talbot]

21688-C

MEMORANDUM OF SUPPLEMENT

FLEX LEASING CORPORATION, FLEX LEASING I, LLC and **FLEX LEASING II, LLC** collectively filed (i) that certain Memorandum of Lease with (a) the Surface Transportation Board (the "STB"), Recordation No. 21688, on September 30, 1998, at 2:05 p.m. and (b) the Registrar General of Canada (the "RGC") on the 1st day of October, A.D. 1998, at 3:22 p.m., (ii) that certain Memorandum of Partial Assignment of Lease with (a) the STB, Recordation No. 21688-A, on September 29, 1999, at 2:10 p.m. and (b) the RGC on the 30th day of September, A.D. 1999, at 11:31 a.m., and (iii) that certain Memorandum of Supplement with (a) the STB, Recordation No. 21688-B, on June 23, 2000 and (b) the RGC on the 27th day of June, A.D. 2000, at 1:03 p.m., relating to the lease described below:

That certain lease (the "Lease"), dated as of August 31, 1998, between **FLEX LEASING CORPORATION**, a Delaware corporation ("Flex"), having its chief executive office at 221 Main Street, Suite 730, San Francisco, California 94105, and **POPE & TALBOT, INC.**, a Delaware corporation ("Lessee"), having its chief executive office at 1500 SW First Avenue, Portland, Oregon 97201.

The new lessor, **FLEX LEASING I, LLC**, only as to the railcars listed on Annex A attached hereto, and Lessee have added the additional railcars listed on Annex A attached hereto to the Lease and also wish to supplement the Memorandum of Lease.

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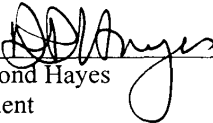
RECORDED NO. 21688-C FILED

SEP 20 '02 2-59 PM

SURFACE TRANSPORTATION BOARD

IN WITNESS WHEREOF, this Memorandum of Supplement has been duly executed as of this 31st day of July, 2002.

FLEX LEASING I, LLC

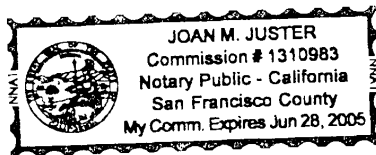

Desmond Hayes
President

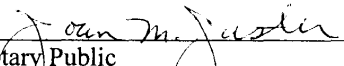
STATE OF CA)
) ss:
COUNTY OF SF)

On this 30th day of July, 2002, personally came before me, Desmond P. Hayes, who, being by me duly sworn, says he is President of Flex Leasing I, LLC and that said writing was signed on the date hereof by him on behalf of said company by its authority duly given. And the said President acknowledged the said writing to be the act and deed of said company.

Witness my hand and notarial seal this 30th day of July, 2002.

SEAL




Notary Public
My Commission Expires: June 28, 2005

ANNEX A

Description of Equipment

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LW 75050
LW 75052

[Pope & Talbot]